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Summary record of the 65th meeting
Held at Headquarters, New York, on Tuesday, 13 July 1999, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

International Trade Centre UNCTAD/WTO (A/54/127 and A/53/7/Add.15)

1. **The Chairman** drew the Committee's attention to the report of the Secretary-General on the outline of the proposed programme budget for the biennium 2000–2001 for the International Trade Centre UNCTAD/WTO (A/54/127) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/53/7/Add.15).

2. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, after reviewing the report of the Secretary-General in document A/54/127, the Advisory Committee recommended General Assembly approval of the amount of SwF 59,204,600 for the outline for the biennium 2000–2001 for the International Trade Centre (ITC). However, the Advisory Committee expected that the submission of the next outline for ITC would be in full conformity with the procedure set out in paragraph 11 of its report A/53/7/Add.3, as endorsed by the General Assembly.

3. **Mr. Sarevo** (Finland), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union, the associated countries Cyprus and Malta, as well as the European Free Trade Association countries members of the European Economic Area Iceland and Norway, expressed support for the Secretary-General's proposal to establish an ITC budget outline estimate of SwF 59,204,600 for the biennium 2000–2001, as also recommended by ACABQ. The late issuance of the outline, however, was a deviation from the procedure agreed upon, and he trusted that, in future, that procedure would be properly followed.

4. **Mr. Garfield** (Guyana), speaking on behalf of the Group of 77 and China, said that he strongly supported the work of ITC and stressed that all necessary resources should be provided in order to enable the Centre to implement its mandate fully. He noted with concern the delay in issuing the outline and the fact that the fascicle for section 11 B of the proposed programme budget for 2000–2001 was not based on the outline. The budget fascicle should be prepared and submitted in accordance with established rules and procedures since ITC was part of the regular budget. Lastly, he requested a clarification of the third sentence in paragraph 4 of the report of ACABQ (A/53/7/Add.15).

5. **Mr. Repasch** (United States of America) expressed his delegation's support for the work of ITC. The report of the Secretary-General on the outline of the proposed programme budget for the Centre, however, lacked transparency and failed to justify the increase of 1.4 per cent, in real terms, referred to in paragraph 5. In addition, the reference to the average rate of growth for part IV was unacceptable because it indicated a formulistic approach to budgeting that had no basis concerning the actual needs of ITC for the next biennium.

6. He agreed with the view of the Committee on Budget, Finance and Administration of the World Trade Organization (WTO) on the need for a statement of objectives of the individual organizational units, as well as a citation of their outputs to be achieved by the end of the year. His delegation also shared the concern of ACABQ with regard to the late submission of the budget outline and the confusion that that had created with respect to established procedures. Accordingly, while his delegation was not in a position to support the budget outline for ITC or the recommendation of the Advisory Committee, it could, however, support a formulation taking note of the two reports under consideration.

7. **The Chairman** proposed that the Fifth Committee should recommend to the General Assembly that it should take note of the report of the Secretary-General on the outline of the proposed programme budget for the biennium 2000–2001 for the International Trade Centre UNCTAD/WTO (A/54/127) and of the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions thereon contained in document A/53/7/Add.15.

8. *It was so decided.*

Agenda item 118: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Letters from the President and the Acting President of the General Assembly to the Chairman of the Fifth Committee (A/C.5/53/64 and A/C.5/53/65)

9. **The Chairman** recalled that the General Assembly, in resolution 53/36 C, had, *inter alia*, requested the Committee on Contributions to review the procedural aspects of the consideration of requests for exemption under Article 19, in particular, modalities for dealing with such requests received when the Committee was not in session and to make recommendations to the General Assembly in that respect before the end of the fifty-third session. Accordingly, he drew the Committee's attention to a letter dated 1 July 1999

from the President of the General Assembly to the Chairman of the Fifth Committee (A/C.5/53/64), transmitting a letter dated 28 June 1999 from the Chairman of the Committee on Contributions to the President of the General Assembly containing in an appendix extracts from the report of the Committee on Contributions on its fifty-ninth session concerning requests for exemption under Article 19 of the Charter received from Member States. He also drew attention to a letter dated 12 July 1999 from the Acting President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/53/65), transmitting a letter dated 8 July 1999 from the Permanent Representative of Georgia containing a request, under Article 19 of the Charter of the United Nations, concerning his country's arrears.

10. **Mr. Sareva** (Finland), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union, the associated countries Cyprus and Malta and the European Free Trade Association countries members of the European Economic Area Iceland and Norway, said that the Union had consistently advocated a most stringent application of Article 19 of the Charter, which provided the sole effective incentive prompting Member States to pay their assessed contributions in full, on time and without conditions. The Union, therefore, placed great importance on the various provisions of General Assembly resolution 53/36 C for tightening its application.

11. He commended the efforts by several countries concerned to make payments to reduce their arrears, with a view to eventually bringing them to a point below the minimum necessary to avoid the application of Article 19, and the measures by other Member States that had been able to reduce their arrears below the said minimum during the first half of 1999, many of which faced severe economic and fiscal hardships. The European Union supported the recommendations by the Committee on Contributions with regard to granting exemptions under Article 19 to four Member States and agreed with the Committee that exemptions must be regarded as a strictly exceptional measure for circumstances where the failure to pay was due to conditions beyond the control of the Member State concerned. Lastly, the Union remained strongly committed to its position that the General Assembly must adhere to the procedure laid down in rule 160 of the rules of procedure.

12. **Mr. Volski** (Georgia) said that, during its first years of independence, Georgia had been able to fulfil its financial obligations to the United Nations. The conflict in Abkhazia, however, had forced approximately 300,000 residents to leave their homes and had created severe budget problems. The refugee situation had been further aggravated by the events taking place in May 1998, which had forced 50,000 more people to flee their homes. In addition, a severe drought had seriously reduced agricultural production, and the overall financial crisis affecting the countries of the former Soviet Union had given rise to further hardship.

13. Nevertheless, the Government of Georgia attached great importance to fulfilling its obligations to international organizations. It had already taken measures pay its assessed contributions for the current year and would submit a schedule for paying off its arrears and take all the necessary steps to achieve that goal. As indicated in paragraph 100 of document A/C.5/53/64, some members of the Committee on Contributions had expressed the view that the Committee had had enough time to consider the request of Georgia. His Government was endeavouring to pay its arrears and would like its request to be considered by the Committee and dealt with in a positive manner.

14. **Mr. Pashayev** (Azerbaijan), **Mr. Saha** (India), **Mr. Jara** (Chile), **Mr. Herrera** (Mexico), **Mr. d'Escragnolle-Taunay** (Brazil), **Mr. Holubov** (Ukraine) and **Mr. Sial** (Pakistan) expressed support for the request made by the representative of Georgia, in view of the conditions beyond that country's control.

15. **Mr. Armitage** (Australia) said that his delegation supported the recommendations by the Committee on Contributions concerning the requests for exemption under Article 19 of the Charter. Australia believed that such requests should first be considered by the Committee on Contributions, which was the body established for that purpose. In the recent past, there had been a number of deviations from that procedure. Nevertheless, the discussions held in the Fifth Committee in late 1998 and subsequent General Assembly resolutions had made it clear that the General Assembly was keen to reassert that procedure.

16. While the General Assembly had the authority under the Charter to grant exemptions, a decision had been taken under the rules of procedure to impose a certain discipline in that regard. If Article 19 was to have any meaning as the sole instrument to encourage the timely payment of assessed contributions, it needed to be implemented in a consistent manner. The Committee on Contributions should consider requests for exemptions from the provisions of Article 19, before the Fifth Committee took any decisions in that regard. The efforts of particular countries to meet their financial obligations should be kept separate from the issue as to how the Member States ensured the implementation of Article 19. On that basis, Australia was prepared to approve the recommendations by the Committee on Contributions concerning the four requests for exemptions.

17. **Mr. Sareva** (Finland), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union, the associated countries Cyprus and Malta, as well as the European Free Trade Association countries members of the European Economic Area Iceland and Norway, said that they held rule 160 of the rules of procedure in very high esteem. That had nothing to do with making a judgement on the ability of Georgia to pay its assessed contributions. The consensus reached in the Fifth Committee in late 1998 had been achieved after long and arduous negotiations and reflected the very delicate balance of opinions. Through the adoption of resolution 53/36 C, the General Assembly had adhered to the principle laid down in rule 160. Accordingly, the Fifth Committee should abide by the consensus reached in that regard.

18. **Mr. Repasch** (United States of America) said that his delegation supported the findings and recommendations of the Committee on Contributions contained in document A/C.5/53/64. In 1998, the General Assembly had reaffirmed the importance of the advisory role of that Committee regarding the application of Article 19 of the Charter of the United Nations. The Committee on Contributions had declined to act on the request of Georgia in June 1999 because the established deadline for such requests had not been met. He noted that the deadline had been well publicized throughout May of that year, and that the other Member States requesting exemption under Article 19 had had no difficulty in meeting the deadline. His delegation believed that the General Assembly should consider no requests for exemption under Article 19 without the expert advice of the Committee on Contributions, but was prepared to go along with any consensus arrived at at the current meeting of the Fifth Committee.

19. **The Chairman** noted that the letter dated 8 July 1999 from the Permanent Representative of Georgia had been delayed in the office of the President of the General Assembly, and that the Chairman's personal intervention had been necessary in order for the letter to be transmitted to the Fifth Committee secretariat in time for the issuance of the relevant documents.

20. **Ms. Buergo-Rodriguez** (Cuba) said that some other delegations appeared to be somewhat selective in their interpretation of General Assembly resolution 53/36. That resolution had struck a delicate but clear balance in delineating the roles to be played by the General Assembly and by the Committee on Contributions with regard to requests for exemptions under Article 19. While it was desirable and proper to transmit all such requests to the General Assembly through the Committee on Contributions, and to do so on a timely basis, that procedure should not be allowed to interfere with the ability of the General Assembly to take decisions on such requests. With that in mind, however, her delegation supported the recommendations of the Committee on Contributions with regard to the requests from Bosnia and Herzegovina, the Comoros, the Republic of Moldova and Tajikistan.

The meeting was suspended at 10.55 a.m. and resumed at 1.20 p.m.

The meeting rose at 1.20 p.m.